

BEFORE THE IOWA DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP
APPLICATION FOR IOWA GRAIN DEALER LICENSE

License No. GD-_____

INDICATE THE CLASS OF LICENSE WHICH YOU ARE MAKING APPLICATION FOR:

☐ CLASS 1

☐ CLASS 2

Class 1 license is required if the grain dealer will purchase any grain by credit-sale contract, or if the value of grain purchases by the grain dealer from producers during the grain dealer's fiscal year will exceed \$500,000.00.

Class 2 license is required for any grain dealer not holding a class 1 license.

DO YOU WISH TO BE AUTHORIZED FOR USE OF CREDIT SALE CONTRACTS?

☐ YES

☐ NO

Credit-sale contract means a contract for the sale of grain pursuant to which the sale price is to be paid more than thirty (30) days after the delivery of the grain to the buyer, and includes but is not limited to those contracts commonly referred to as deferred payment, deferred pricing, price-later, basis, and minimum price contracts.

List the aggregate bushel amount of grain to be purchased from producers and any other source in the next twelve month period.

_____ Bushels

Check the range of grain purchases from all sources which your company will fall into:

<u>PURCHASE AMOUNT</u>	<u>FEE</u>	<u>PURCHASE AMOUNT</u>	<u>FEE</u>
<input type="checkbox"/> 35,000 bu. or less	\$ 66	<input type="checkbox"/> 1,000,001 to 1,850,000 Bu.	\$498
<input type="checkbox"/> 35,001 to 250,000 Bu.	116	<input type="checkbox"/> 1,850,001 to 3,200,000 Bu.	706
<input type="checkbox"/> 250,001 to 500,000 Bu.	166	<input type="checkbox"/> 3,200,001 or more	955
<input type="checkbox"/> 500,001 to 1,000,000 Bu.	291		

The license fee will be prorated on a monthly basis for licenses issued for less than a year.

The undersigned hereby makes application to participate in the Iowa Grain Depositors and Sellers Indemnity Fund in conformity with the provisions of Iowa Code Chapter 203D and to obtain a Grain Dealer License in conformity with the provisions of Iowa Code Chapter 203 and the Rules of the Department of Agriculture and Land Stewardship, and in support thereof, submits the following information:

Full and correct name of applicant _____

Corporate Office _____

_____ Mail Address _____ City _____ state _____ Zip Code _____

Location of Business _____

_____ Street Address _____ City _____ county _____ State _____ Zip Code _____

Mailing Address _____

_____ Street No. or P.O. Box _____ City _____ State _____ Zip Code _____

Name of Manager _____ Business Phone _____

Fax Number _____

Applicant is a/an _____ doing business under the name of
(Corporation, Individual, Partnership or Limited Liability Company)

Tax payer identification number of applicant _____
(employer identification number of firm or owner's social security number)

Fiscal Year End of applicant is _____

The applicant, if a corporation was organized under the laws of the state of _____ and is authorized to do business in the State of Iowa, and that the names and addresses of the officers are as follows:

President _____ Address _____

Secretary _____ Address _____

Treasurer _____ Address _____

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If applicant is a partnership or limited liability company, the partners or members are as follows:
NAME ADDRESS

LOCATION OF ALL BRANCH OFFICES TO BE OPERATED UNDER THIS LICENSE:

Applicant will submit such further evidence in support of statements made in the application as required by the Department of Agriculture and Land Stewardship. As a condition to the granting of this application, applicant agrees to comply with and abide by all the terms of Iowa Code Chapters 203 and 203D and such rules as are, or may be, prescribed thereunder by the Department of Agriculture and Land Stewardship.

Dated this _____ Day of _____, _____.

By: _____
Signature

Title

OATH

State of _____)
_____)
County of _____)

_____, being first duly sworn on oath, depose and say that

I am the _____ of _____
Title Business Name

That I have read the foregoing application, know its purpose, am familiar with the facts therein set forth and the same is true and correct.

Signature

Subscribed and sworn to before me, a Notary Public in and for the State and County named, this _____ day of _____, _____.

Notary Public

Application must be signed and sworn to by applicant, if an individual; by a partner if a partnership; or by an officer if a corporation

For Office Use Only:
n/w_____ c/r_____ f/s_____
csc_____ whse#_____ fye_____
check no._____ Fee_____
master gd#_____

Effective:_____
Approved by:_____

INSTRUCTIONS FOR PREPARATION OF GRAIN DEALER APPLICATION

1. Applications shall be typewritten or printed in ink.
2. A Class 1 license is required if the grain dealer is to purchase any grain by credit-sale contract, or if the value of the grain to be purchased from producers during the dealer's fiscal year will exceed five hundred thousand dollars (\$500,000.00).

An applicant who desires to be authorized to issue credit-sale contracts shall indicate such on the application form. Be aware that additional requirements are imposed upon dealers who are authorized to issue credit-sale contracts.

A Class 2 license is required for any grain dealer who expects to purchase 1000 bushels or more from producers in any month and who does not hold a class 1 license.

3. **FEES:** The term of the license runs for one year beginning three (3) calendar months after the dealer's fiscal year end (this is also the date the dealer's annual financial statement is due). The license fee will be prorated on a month-to-month basis for new licenses issued for a period less than a year. A license fee is due based upon the amount of grain purchased. For a new license, the applicant may pay the lowest fee amount and make adjustments at any time the dealer exceeds the maximum purchase amount for each fee bracket. Or the applicant may elect to make an estimate of the amount of purchases to be made and pay the fee for that amount (to avoid having to make one or more adjustments later).

EXAMPLE:

An applicant with a June 30 fiscal year end applies for a license in August. The applicant estimates purchases of 550,000 Bushels for their first fiscal year of operations.

The license period for that firm will be October 1 through September 30. The applicant shall submit the license fee for two months (August and September) along with the application. The amount due for this applicant is \$48.50 (\$291.00 divided by 12 multiplied by 2).

Refer to the fee schedule listed on the application form to find the fee due for your firm. Prorate the fee on a month-to-month basis as shown in this example.

An indemnity fund participation fee is due based upon the class of grain dealer license for which the applicant is applying. The fee for a class 1 license is five hundred dollars (\$500.00). The fee for a class 2 license is two hundred fifty dollars (\$250.00). This fee is not prorated.

Make your check payable to the Iowa Department of Agriculture.

4. Corporations shall be registered with the Iowa Secretary of State. Department will verify such registration prior to issuance of license. Similar verification or documentation may be required of partnerships.

5. **FINANCIAL REQUIREMENTS:**

A. A current financial statement shall be submitted with the application. The statement shall have been prepared as of not more than ninety (90) days from the date of filing. The statement shall be prepared in accordance with generally accepted accounting principles and shall have been reviewed or audited by a Certified Public Account licensed by the state of Iowa and shall be accompanied by the accountant's unqualified opinion or review report. If you wish to be authorized to issued credit-sale contracts, be aware that you must either file an audited financial statement or post a bond or irrevocable letter of credit in the amount of one hundred thousand dollars (\$100,000.00).

B. A Class 1 dealer shall maintain a net worth of \$75,000.00.

C. A Class 2 dealer shall maintain a net worth of \$37,500.00.

D. All dealers shall maintain a current ratio of 1:1
(current assets shall equal or exceed the current liabilities).

E. Applicant's or dealers who do not meet these minimums may post a bond under certain situations to cover their deficiency.

F. A dealer's authorization to issue credit-sale contracts may be suspended any time the dealer's current ratio is below 1:1 or any time the dealer's debt to asset ratio exceeds .75:1 or any time the dealer's net worth does not equal at least fifty cents (\$.50) per bushel of grain on credit-sale contract.

Additional requirements apply to the financial statements submitted by sole proprietors.

6. All applications shall be signed by the owner if an individual, a partner if a partnership, or an officer if a corporation. All applications shall be fully completed and notarized. Applications shall be accompanied by a completed GD-2A (GD-2B for sole proprietors), the financial statement and the fees.

7. Applications shall be accompanied by a completed Qualifications of Supervisory Personnel form, which discloses the name, work experience and qualifications of the principal manager of the grain dealer.

8. File applications with:

Grain Warehouse Bureau
Iowa Department of Agriculture & Land Stewardship
Henry Wallace Building
Des Moines, IA 50319

Phone: 515-281-5987

FAX: 515-281-6800

(rev. 5/2000)